

OREGON INTERNATIONAL PORT OF COOS BAY

Coos Bay, Oregon

REGULAR COMMISSION MEETING

10:00 a.m., Tuesday, January 17, 2023

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Commission:

Eric Farm, President; Brianna Hanson, Vice President; Kyle ViksneHill, Treasurer; Kyle Stevens, Secretary; and Nick Edwards, Commissioner.

Staff:

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Chief Port Operations Officer; Megan Richardson, Director of Finance and Accounting; Margaret Barber, Director of External Affairs and Business Development; Rick Adamek, Director of Asset Management; Steve Bawn, Charleston Marina Manager; Ray Dwire, Security Lead; Laura Fortin, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

Amanda McCleary-Moore, Moss Adams; Kari Silva, F/V Jeanette Marrie Inc.

1. CALL MEETING TO ORDER

President Farm called the meeting to order at 10:01 a.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

A. Presentation of 2021/22 Annual Financial Report, Amanda McCleary-Moore, Moss Adams

Amada McCleary-Moore introduced herself on behalf of Moss Adams to present the 2021/22 financial audit report.

Ms. McCleary-Moore spoke of the extended engagement team and the roles of each person involved. The nature of services provided include auditing the Port's financial statements in accordance with Generally Accepted Accounting Standards. The Port's federal expenditures exceed \$750K in the fiscal year so an additional audit was required under Uniform Guidance. Compliance testing/reporting under Oregon Minimum Audit Standards included testing for budgetary compliance of processes and controls, as well as procurement. Moss Adams' services include an overall audit plan, audit results, communication, internal controls, findings, and notification of noncompliance.

Critical Audit Areas focus on internal controls and the IT environment, investments, revenues and receivables, capital assets, long term debt, accrued liabilities such as PERS and OPEB, financial close and reporting, Oregon Minimum Standards, and federal grants compliance.

Ms. McCleary-Moore stated Moss Adams issued a clean unmodified opinion of the Port's financial statements, finding all financial statements to be materially correct. The Port's Finance department staff were required to implement new accounting standard GASB No. 87 this year related to lease recording.

Under the Oregon Minimum Standards report, there was one instance of noncompliance identified related to a budgetary over-expenditure. This finding is the same as last year, however, it was reported as showing improvement. There were no other items to report within the Oregon Minimum Standards report.

The Governmental Auditing Standards internal control and compliance report showed no instances of noncompliance or other matters. There were no significant deficiencies or material weaknesses reported.

The Uniform Guidance internal control and compliance report, the testing of two Federal Grants (Build 2018 and ARCA Fund), received a clean unmodified opinion for each, both with no instances of noncompliance.

There are two new standards effective June 30, 2023, that could have an impact on the Port: GASB No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and GASB No. 96, Subscription-Based Information Technology Arrangements. It is recommended that the Port's Management take a closer look at these new reporting standards.

Ms. McCleary-Moore ended her presentation stating the Port's Finance team was great to work with as they were very forthcoming with assistance and information, and that it was another successful audit. President Farm thanked Ms. McCleary-Moore for the presentation.

Commissioner ViksneHill said he was curious about the one finding regarding exceeding appropriations as it was not shown in the financial report's comment section. Ms. McCleary-Moore stated that it could be found on the Oregon Minimum Standards page 81 of the report or page 95 in the pdf. She further explained this finding is due to adjustments made after the year end closing of the books. She explained there is only one on the report and it is related to loan pay off and budgeting for debt expenditures. Ms. Richardson added that it was related to debt refunding, paying off a loan and opening a new loan.

3. PUBLIC COMMENT

Kari Silva, F/V Jeanette Marrie Inc.

Ms. Silva stated she had two items to bring before the Commissioners, the first regarding piling. She said the F/V Jeanette Marrie is in slip 27, and the piling at the end of the floating dock needs to be replaced before it breaks and damages the vessel.

Ms. Silva thanked the Commissioners for continued opportunity to make public comment seeking the support from the Port to sign the resolution presented on October 18, 2022, by Yelena Nowak. Ms. Silva reported on whales off the Oregon coast being entangled in fishing nets during the migration period. She said fishermen have been working with the State agencies to avoid entanglements under the Marine Mammal Protection Act but questioned whether the offshore wind developers will do the same. She questioned how many entanglements will be allowed in the cables of the wind turbines and how many whale lives might be lost. In her final comment she stated there needs to be an environmental impact

study to understand the possible dangers for the whales. Ms. Silva asked the Port to help the Charleston fishing fleet protect the ocean and the fishing industry by signing the resolution.

4. CONSENT ITEMS

- A. Approval of December 20, 2022 Regular Commission Meeting Minutes
- B. Approval of December 2022 Invoices

Upon a motion by Commissioner Stevens (second by Commissioner Edwards), the Board of Commissioners voted to approve the December 20, 2022 Regular Commission Meeting Minutes, and December 2022 Invoices. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, Edwards and ViksneHill. Nays: None).

5. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

6. ACTION ITEMS/REPORTS

A. **2021/22 Annual Financial Report**

Moss Adams has completed the annual financial report on behalf of the Oregon International Port of Coos Bay for fiscal year ending June 30, 2022.

The financial statements are presented in accordance with the financial reporting model in the Governmental Accounting Standard Board (GASB) Statement No. 34.

There were no adjustments that had a material effect on the Port's reporting process. There were also no material weaknesses or reportable conditions for internal control, or any instances of non-compliance to the general-purpose financial statements.

Ms. Amanda McCleary-Moore of Moss Adams attended this Commission meeting to present the audit. A copy of the audit was provided to Commissioners for review.

Upon a motion by Commissioner Edwards (second by Commissioner Hanson), the Board of Commissioners motioned to approve the annual financial report for Fiscal Year 2021/2022. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, Edwards and ViksneHill. Nays: None).

President Farm congratulated Staff on another successful audit.

B. **ITB Solicitation for PIDP Project**

On May 18, 2020, the Port submitted an application to the US Department of Transportation for the Port Infrastructure Development Program (PIDP) grant program. In October of 2020, the Port was awarded a grant in the amount of \$9.88 million for the CBRL Phase II Tie and Surfacing Project. The final grant agreement was executed with the US Maritime Administration on October 17, 2022. The Port will provide a \$120,000.00 match from Port funds. The total project cost is \$10 million.

The Phase II Tie and Surfacing Project consists of replacing approximately 48,000 ties, surfacing of approximately 85 miles of track, and placing approximately 48,000 tons of ballast.

Port procurement rule 2.8.1(E) requires the Port Commission, acting in its capacity as the Local Contract Review Board, authorize solicitations and awards of contracts in excess of \$150,000. Port staff intends to open the ITB period following the completion of bid documents and legal review. Upon closing the ITB period, Port staff will review the bids and make a recommendation for award to the Commission at the next regularly scheduled Board of Commissioners meeting.

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners motioned to authorize Port Staff to solicit an Invitation to Bid for the CBRL Tie Replacement and Surfacing Project. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, Edwards and ViksneHill. Nays: None).

Commissioner Stevens asked how long the project will take and if there is a timeline on the funding. Mr. Adamek said the funding is good until 2024, however, the project is expected to take about six months after the contract is awarded. The rail line will be able to continue running during the project.

Commissioner Hanson asked if this project was just maintenance or if it is meant to increase speed. Mr. Adamek explained the intent of the project is to make the tracks safer and faster. Mr. Burns said it is anticipated that the project will double the speed between Coos Bay and Eugene.

Commissioner Stevens asked what percentage of the rail ties are being replaced. Mr. Adamek said it was 22 – 25%.

C. Appointment of FY 2023/24 Budget Officer

Oregon Local Budget Law (ORS 294.305 through 294.565) governs the preparation of the Port's annual budget. Pursuant to ORS 294.331, the Port Commission is required to designate one person to serve as the Budget Officer, who shall prepare or be responsible for preparing the budget document under the direction of the Chief Executive Officer. The Budget Officer also presents a balanced budget to the budget committee, publishes all notices required by Local Budget Law, monitors budget expenditures during the budget year and notifies the governing body of the need to make any budget changes required after adoption.

Port staff recommends Megan Richardson, the Port's Director of Finance & Accounting, to be appointed as the Budget Officer for the fiscal year 2023/24 budget process.

Upon a motion by Commissioner Hanson (second by Commissioner Stevens), the Board of Commissioners motioned to approve the appointment of Megan Richardson, Director of Finance & Accounting, as the Budget Officer for the FY 2023/24 budget process. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, Edwards and ViksneHill. Nays: None).

7. OTHER

8. COMMISSION COMMENTS

Commissioner Edwards said, in addition to Ms. Silva's comments, due to different sonar testing on the East Coast, there are currently ten whale deaths of multiple species, which has never happened before.

9. NEXT MEETING DATE

- A. Commission Workshop: Tuesday, February 7, 2023, 10:00 a.m.
- B. Regular Commission Meeting: Tuesday, February 21, 2023, 10:00 a.m.

10. ADJOURN

President Farm adjourned the meeting at 10:48 a.m. and entered into Executive Session to:

- (d) conduct deliberations with person designated by the governing body to carry on labor negotiations;
- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
- (h) consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed;
- (i) review and evaluate the job performance of a chief executive officer, other officers, employees and staff, if the person whose performance is being reviewed and evaluated does not request an open hearing;
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments; and
- (n) discuss information about review or approval of programs relating to the security of a number of specified structures, activities and materials relevant to the operation of the state's infrastructure.